

LIVINGSTON PARISH FIRE PROTECTION DISTRICT NO. 1

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 26 2014**

PHIL HEBERT
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL ACCOUNTING CORPORATION

**Livingston Parish Fire Protection District No. 1
Albany, Louisiana**

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As of and for the Year Ended December 31, 2012**

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MEMBER
American Institute of
Certified Public
Accountants

Phil Hebert, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
Post Office Box 1151 • Ponchatoula, Louisiana 70454
Office (985) 386-5740 • Fax (985) 386-5742

MEMBER
Society of Louisiana
Certified Public
Accountants

Independent Accountant's Review Report

To the Board of Commissioners
Livingston Parish Fire Protection District No. 1
Albany, Louisiana

I have reviewed the accompanying financial statements of the governmental activities and the major fund of Livingston Parish Fire Protection District No. 1, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Livingston Parish Fire Protection District No. 1. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

The management of Livingston Parish Fire Protection District No. 1 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, I have issued a report dated July 11, 2013 on the results of my agreed-upon procedures.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on page 19, is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Respectfully submitted,

A handwritten signature in cursive script that reads "Phil Hebert".

Phil Hebert CPA
A Professional Accounting Corporation

July 11, 2013

Financial Statements

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Statement A

Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
Assets	
Cash	\$ 242,769
Investments	70,609
Ad Valorem Taxes Receivable, Net	158,433
State Revenue Sharing Receivable	24,291
Capital Assets, Net	<u>442,379</u>
Total Assets	<u>938,481</u>
 Liabilities	
Accrued Expenses	3
Pension Payable	<u>6,644</u>
Total Liabilities	<u>6,647</u>
 Net Position	
Net Investment in Capital Assets	442,379
Unrestricted	<u>489,455</u>
Total Net Position	<u>\$ 931,834</u>

See accompanying notes and independent accountant's review report

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Statement B

Statement of Activities
For the Year Ended December 31, 2012

	General Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Change in Net Position Governmental Activities
Governmental Activities			
Public Safety	\$ 145,891	\$ -	\$ (145,891)
Depreciation Expense	58,112	-	(58,112)
Total Governmental Activities	<u>\$ 204,003</u>	<u>\$ -</u>	<u>(204,003)</u>
General Revenues			
Ad Valorem Tax Revenue			168,297
State Revenue Sharing			24,291
Fire Insurance Premium Rebate			37,893
Interest Income			472
Other Income			1,478
Grant Revenue			6,890
Total General Revenues			<u>239,321</u>
Change in Net Position			35,318
Net Position - Beginning of the Year			<u>896,516</u>
Net Position - End of the Year			<u>\$ 931,834</u>

See accompanying notes and independent accountant's review report.

**Livingston Parish Fire Protection District No. 1
Albany, Louisiana**

Statement C

Governmental Fund – Balance Sheet
December 31, 2012

	<u>General Fund</u>
Assets	
Cash	\$ 242,769
Investments	70,609
Ad Valorem Taxes Receivable, Net	158,433
Grant Receivable	-
State Revenue Sharing Receivable	<u>24,291</u>
Total Assets	<u><u>496,102</u></u>
 Liabilities and Fund Balance	
<i>Liabilities:</i>	
Accrued Expenses	3
Pension Payable	<u>6,644</u>
Total Liabilities	<u><u>6,647</u></u>
 Fund Balance	
Unassigned	<u>489,455</u>
Total Fund Balance	<u><u>489,455</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$ 496,102</u></u>

See accompanying notes and independent accountant's review report

**Livingston Parish Fire Protection District No. 1
Albany, Louisiana**

Statement D

Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2012

Total Fund Balance, Governmental Funds (Statement C)	\$	489,455
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Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds These assets consist of

Governmental Capital Assets, Net of Depreciation		442,379
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Net Position of Governmental Activities (Statement A)	\$	<u>931,834</u>
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See accompanying notes and independent accountant's review report

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Statement E

Statement of Governmental Fund Revenues, Expenditures, and
Change in Fund Balance
For the Year Ended December 31, 2012

	<u>General Fund</u>
Revenues	
Ad Valorem Tax Revenue	\$ 168,297
State Revenue Sharing	24,291
Fire Insurance Premium Rebate	37,893
Interest Income	472
Grant Revenue	6,890
Other Income	1,478
Total Revenues	<u>239,321</u>
Expenditures	
Public Safety	
Administrative	13,952
Bad Debts	7,824
Insurance	26,112
Payroll Taxes	3,053
Pension Fee	6,644
Professional Services	5,933
Repairs	18,352
Salaries	39,870
Supplies	18,639
Telephone and Utilities	5,512
Capital Outlay	3,309
Total Expenditures	<u>149,200</u>
Change in Fund Balance	<u>90,121</u>
Fund Balance - Beginning of the Year	<u>399,334</u>
Fund Balance - End of the Year	<u><u>\$ 489,455</u></u>

See accompanying notes and independent accountant's review report

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Statement F

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balance, Governmental Fund (Statement E)	\$	90,121
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Amounts reported for governmental activities in the statement of activities are different because

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay		3,309
Depreciation Expense		<u>(58,112)</u>

Change in Net Position of Governmental Activities (Statement B)	\$	<u>35,318</u>
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See accompanying notes and independent accountant's review report

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements
For the Year Ended December 31, 2012

Introduction

Livingston Parish Fire Protection District No. 1. ("the District"), was created by an ordinance of the Livingston Parish Council for the purpose of acquiring, maintaining, and operating buildings, machinery, water tanks, water hydrants, water lines, and any other things necessary to provide proper fire prevention and control of the property within the District. The District operates under the direction of a five-member board appointed by the Livingston Parish Council. The District also employs two part-time workers for bookkeeping and management services. On January 25, 1997, the Albany Volunteer Fire Department merged into Livingston Parish Fire Protection District No. 1. This merger was approved by the Livingston Parish Council and the Village of Albany.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of RS 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

All board members of the District are appointed by the Livingston Parish Council. As the governing authority of the Parish, for reporting purposes, the Livingston Parish Council is the financial reporting entity for Livingston Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. Because the board members of the District are appointed by the Livingston Parish Council, the District was determined to be a component unit of the Livingston Parish Council.

The accompanying basic financial statements present information only on the fund maintained by the District and do not present information on the Livingston Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting

The District uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

Governmental Funds

Governmental funds account for all of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District. The following is the District's governmental fund.

General Fund is the primary operating fund of the District, which accounts for all the operations of the District, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

C. Measurement Focus and Basis of Accounting and Financial Statement Presentation

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include all the non-fiduciary activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of District's operations.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Ad valorem tax revenue, state revenue sharing revenue, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

D. Budgets and Budgetary Accounting

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The major requirements of the Local Government Budget Act are summarized as follows:

- 1 The District adopts a budget each year for the general fund.
- 2 The District's secretary and Fire Chief prepare a proposed budget and submit it to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal. The proposed expenditures were less than \$500,000, therefore, a public hearing was not required.
- 3 All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 5, 2011.
- 4 Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.
- 5 Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the revised adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statements as follows:

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

Excess of Revenues over Expenditures (Schedule E)	\$ 90,121
Add Prior Year Receivables	210,472
Current Year Payables	6,647
Less Current Year Receivables	(182,724)
Prior Year Payables	(7,612)
Excess of Revenues over Expenditures (Schedule I)	<u>\$ 116,904</u>

E. Cash, Cash Equivalents, and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition

Under State law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days, however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District are stated at cost.

F. Inventory

Inventories for supplies are immaterial and are recorded as expenditures / expenses when purchased.

G. Prepaid Items

The District recognizes expenditures for insurance and similar services extending over more than one accounting period when paid.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	40
Equipment	5 - 20
Vehicles	5 - 15

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

I. Pension Plans

The District is not a member of any retirement system, but is a member of the social security system

J. Long-Term Obligations

Long-Term Obligations are recorded in the Statement of Net Position

K. Compensated Absences

The District does not pay for vacation or sick leave, and, as a result, has no liability for compensated absences at December 31, 2012

L. Fund Balance

GASB has issued Statement No 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below

- Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned)
- Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation
- Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the District's highest level of decision-making authority)
- Assigned fund balances are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed
- Unassigned fund balances are the residual classification for the District's general fund and include all spendable amounts not contained in the other classifications

The District's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order, at the end of the fiscal year by adjusting journal entries

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of December 31, 2012, the District did not have any nonspendable, restricted, committed, or assigned fund balances

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

M. Restricted Net Position

For the government-wide statement of net position, equity is classified and displayed in three components

- 1 Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- 2 Restricted Net Position – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or by (b) laws through constitutional provisions or enabling legislation
- 3 Unrestricted Net Position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the District

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. New Accounting Pronouncements

Recently Issued and Adopted Accounting Pronouncements

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

2. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

General Fund

9.89 Mills

Ad valorem taxes attach as an enforceable lien on property on January 1 each year. Taxes are levied by the District during the year, are billed to taxpayers, and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Livingston Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Livingston Parish Tax Assessor. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2012, the District levied 9.89 mills for a total tax levy of \$168,297 on taxable property valuation totaling \$17,016,890.

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

3. Cash and Cash Equivalents

As reflected on Statement A, the District has cash and cash equivalents totaling \$242,769 and investments totaling \$70,609 at December 31, 2012. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and cash equivalents at December 31, 2012, with the related federal deposit insurance and pledged securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 314,259
Uninsured and Uncollateralized	-
Total Deposits	\$ 314,259

Even though the pledged securities are not held in the entity's name, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk.

4. Receivables

Receivables represent revenues earned in 2012 and received in 2013 as follows:

Ad Valorem Taxes	\$ 166,733
State Revenue Sharing	24,291
Less: Allowance for Uncollectible Taxes	(8,300)
Accounts Receivable, Net	\$ 182,724

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Notes to Financial Statements (Continued)
For the Year Ended December 31, 2012

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2012 are as follows

	<u>Balance</u> <u>12/31/11</u>		<u>Increases</u>		<u>Decreases</u>		<u>Balance</u> <u>12/31/12</u>
Capital Assets							
Buildings	\$ 145,737	\$	-	\$	-	\$	145,737
Equipment	324,600		3,309		-		327,909
Vehicles	536,056		-		-		536,056
Land	17,000		-		-		17,000
Total Capital Assets	<u>1,023,393</u>		<u>3,309</u>		<u>-</u>		<u>1,026,702</u>
Less: Accumulated Depreciation:							
Buildings	31,641		3,484		-		35,125
Equipment	251,498		20,441		-		271,939
Vehicles	243,072		34,187		-		277,259
Total Accumulated Depreciation	<u>526,211</u>		<u>58,112</u>		<u>-</u>		<u>584,323</u>
Total Capital Assets, Net	<u>\$ 497,182</u>	\$	<u>(54,803)</u>	\$	<u>-</u>	\$	<u>442,379</u>

6. Leases

At December 31, 2012, the District does not have any capital or operating leases

7. Litigation and Claims

At December 31, 2012, the District does not have any litigation or claims against it

8. Compensation Paid Board Members

Louisiana Revised Statute 40 1498 provides that each member of the District may receive compensation in the amount of thirty dollars per meeting, not to exceed two meetings in any one calendar month. Currently, the District does not pay compensation to board members.

Required Supplemental Information

Livingston Parish Fire Protection District No. 1
Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 For the Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Var. Favorable (Unfavorable)</u>
Revenues				
Ad Valorem Tax Revenue	\$ 140,000	\$ 140,000	\$ 175,899	\$ 35,899
State Revenue Sharing	23,008	23,008	24,729	1,721
Fire Insurance Premium Rebate	36,000	36,000	37,893	1,893
Interest Income	600	600	472	(128)
Grant Revenue	-	-	26,366	26,366
Other Income	300	300	1,478	1,178
Total Revenues	<u>199,908</u>	<u>199,908</u>	<u>266,837</u>	<u>66,929</u>
Expenditures				
Public Safety				
Administrative	25,730	25,730	13,952	11,778
Bad Debts	-	-	7,824	(7,824)
Insurance	25,000	25,000	26,112	(1,112)
Payroll Taxes	5,232	5,232	3,053	2,179
Building Maintenance	3,500	3,500	6,644	(3,144)
Professional Services	7,000	7,000	5,933	1,067
Repairs	18,000	18,000	18,352	(352)
Salaries	63,175	63,175	40,603	22,572
Supplies	21,500	21,500	18,639	2,861
Telephone and Utilities	7,500	7,500	5,512	1,988
Capital Outlay	25,000	25,000	3,309	21,691
Total Expenditures	<u>201,637</u>	<u>201,637</u>	<u>149,933</u>	<u>51,704</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(1,729)</u>	\$ <u>(1,729)</u>	\$ <u>116,904</u>	\$ <u>118,633</u>
Cash - Beginning of the Year	<u>149,917</u>	<u>149,917</u>	<u>125,354</u>	<u>24,563</u>
Cash - End of the Year	\$ <u><u>148,188</u></u>	\$ <u><u>148,188</u></u>	\$ <u><u>242,258</u></u>	\$ <u><u>118,633</u></u>

See independent accountant's review report.

Other Independent Accountant's Report

MEMBER
American Institute of
Certified Public
Accountants

Phil Hebert, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
Post Office Box 1151 • Ponchatoula, Louisiana 70454
Office (985) 386-5740 • Fax (985) 386-5742

MEMBER
Society of Louisiana
Certified Public
Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Livingston Parish Fire Protection District No. 1
Albany, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Livingston Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Livingston Parish Fire Protection District No. 1's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Livingston Parish Fire Protection District No. 1 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

No expenditures exceeded \$30,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

4 Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members

None of the employees listed in agreed upon procedure # 3 were also included on the listing obtained from management in agreed-upon procedure # 2 as immediate family members

Budgeting

5 Obtained a copy of the legally adopted budget and all amendments

Management provided me with a copy of the original budget

6 Trace the budget adoption and amendments to the minute book

I traced the adoption of the original budget to the minutes of a meeting held on December 5, 2011

7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues for the year exceeded budgeted amounts. Actual expenditures for the year were less than budgeted amounts.

Accounting and Reporting

8 Randomly select 6 disbursements made during the period under examination and

(a) trace payments to supporting documentation as to proper amount and payee,

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee

(b) determine if payments were properly coded to the correct fund and general ledger account, and

All of the payments were properly coded to the correct fund and general ledger account

(c) determine whether payments received approval from proper authorities

Inspection of documentation supporting the six selected disbursements indicated approval and signature from proper authorities

Meetings

9 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law)

Phil Hebert, CPA

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Livingston Parish Fire Protection District No. 1 posted the required notice of each meeting and the accompanying agenda as an open meeting as required by LSA-RS 42:11 through 42:28 (the open meetings law)

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The District had twenty-four paid employees for the year. I examined the checks written for the year and noted nothing that would constitute bonuses, advances, or gifts. Also a reading of the minutes of the District for the year indicated no approval for these type of payments.

Prior Year Comments and Recommendations

There were no prior year comments and recommendations.

Other Matters

While performing inquiry and analytical procedures I discovered a potential misappropriation of funds which is described in the Current Year Schedule of Findings and Responses.

Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Livingston Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in cursive script that reads "Phil Hebert".

Phil Hebert, CPA
A Professional Accounting Corporation

July 11, 2013

Livingston Parish Fire Protection District No. 1
Albany, Louisiana
Schedule of Current Year Findings and Responses
For the Year Ended December 31, 2012

Potential Misappropriation of Funds

Condition: On September 6, 2012, a check dated August 10, 2012 From VFIS Insurance Company payable to the order of Livingston Parish Fire Protection District No. 1 in the amount of \$634 was deposited in the Albany Volunteer Dept (Special) Account. This account is a volunteer account. The payment was for a claim filed by the Livingston Parish Fire Protection District No. 1 with a date of loss of December 25, 2011.

Management contacted the Fire Protection District's attorney who advised them to fire all responsible parties. In an open meeting the former Chief Rachel Goodwin resigned and the District's Treasurer was terminated. The District's Attorney notified the Louisiana Legislative Auditor and Local District Attorney in writing on April 9, 2013.

Management's Response: I, Joe Foster, became Fire Chief of Livingston Parish Fire District One, (LPFD1), on January 22, 2013. Former Chief Rachel Goodwin was made my Administrative Assistant after I became Fire Chief. After being Fire Chief for about a month, I was informed by Administrative Assistant Rachel Goodwin, that Albany Volunteer Fire Department, (AVFD), was a separate entity from Livingston Parish Fire District One. After further discussion with Ms. Goodwin, she informed me that AVFD had a separate bank account from LPFD 1. Until this time, I wasn't aware of any of this. After finding out about this account, I immediately set up a meeting with Hancock Bank to have the account changed to have my name on it and Assistant Chief, Mike Roach also. Also, I wanted to have Ms. Goodwin's name removed from the account.

I then received bank statements from a few months back. Once I looked over the statements, I noticed some checks written for cash. This raised a red flag to me. When I spoke to Ms. Goodwin about this matter, she informed me that she was paying some of the volunteers for the work they had done on some control burns. I also found a check written to LPFD 1 that was deposited into AVFD's account in the amount of \$634.

My next step was to notify the LPFD1 Fire Board of these findings. After discussing this with the Fire Board, Mack and Associates Law Firm was hired to advise us on how to handle these current findings.

When I called the Secretary of State's office to change Mr. Goodwin's name to mine on the AVFD's Non Profit information, I was informed that an Affidavit to Dissolve AVFD was signed on July 28, 1997. Since that date, AVFD has been without Non-Profit status. At this time, AVFD has reorganized and I, Joe Foster, on behalf of AVFD, am in the process of reapplying for Non-Profit Status with the Secretary of State. Responsible Party is Joe Foster, (985) 320-9315.

RESOLUTION

WHEREAS, Livingston Parish Fire Protection District No 1, as a part of its review of financial statements as of December 31, 2012, and for the one year then ended, is required to complete the Louisiana Attestation Questionnaire furnished by the Louisiana Legislative Auditor, and,

WHEREAS, upon completion, the questionnaire must be presented to and adopted by the board of directors of the Livingston Parish Fire Protection District No 1, by means of a formal resolution in an open meeting, and,

WHEREAS, the completed questionnaire and a copy of its adoption must then be given to the accountant at the beginning of the attestation engagement. The accountant will, during the course of his attestation engagement test the accuracy of the responses in the questionnaire,

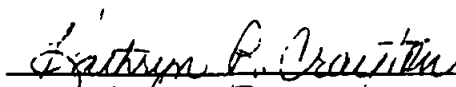
WHEREAS, the Louisiana Attestation Questionnaire was reviewed and all questions answered by the board of directors of the Livingston Parish Fire Protection District No. 1,

THEREFORE BE IT RESOLVED that the Livingston Parish Fire Protection District No 1 hereby adopts this resolution on March 4, 2013 by the following roll call vote:

YEAS: 4

NAYS: 0

ABSENT: 1


Secretary/Treasurer


Chief

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

March 4, 2013 Date

Phil Hebert, CPA
A Professional Accounting Corporation
600 West Pine St.
Ponchatoula, Louisiana 70454

In connection with your review of our financial statements as of December 31, 2012 and for the year then ended, and as required by Louisiana Revised Statute 24 513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 3/4/2013 (date of completion/representations)

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes(☒) No(☐) N/A(☐)

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA RS 42 1101-1124

Yes(☒) No(☐) N/A(☐)

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42 1119

Yes(☒) No(☐) N/A(☐)

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39 1301-15), R.S. 39.33, or the budget requirements of LSA-RS 39:1331-1342, as applicable

Yes(☒) No(☐) N/A(☐)

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44 1, 44:7, 44 31, and 44 36

Yes(☒) No(☐) N/A(☐)

We have filed our annual financial statements in accordance with LSA-RS 24 514, 33 463 where applicable

Yes(☒) No(☐) N/A(☐)

We have had our financial statements reviewed in accordance with LSA-RS 24 513

Yes(☒) No(☐) N/A(☐)

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42 11 through 42 28

Yes(☒) No() N/A()

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39 1410 60-1410 65

Yes(☒) No() N/A()

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14 138, and AG opinion 79-729

Yes(☒) No() N/A()

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report

Stephen R. Crayton Secretary 3/4/2013 Date

Treasurer _____ Date

JL Thomas President 3-4-13 Date